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EXTENSION CENTER FOR COMMUNITY VITALITY

# Appendix to Willmar Area Minority Business Report

Appendix of raw data from a survey of Willmar area minority-owned businesses; survey prepared for the Kandiyohi County Economic Development Commission

See separate report at

<http://www1.extension.umn.edu/community/research/>

Presented by Adeel Ahmed, Extension Educator, University of Minnesota

In partnership with:



The EDACENTER  
at the University of Minnesota, Crookston

# Appendix to Willmar Area Minority Business Report

**December 18, 2012**

Presented by Adeel Ahmed, Extension Educator, University of Minnesota

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The EDA Center at the University of Minnesota, Crookston is one of more than 40 university centers nationwide, supported by the Economic Development Administration, U.S. Department of Commerce. The EDA Center conducts applied research, provides direct technical assistance and delivers educational programs to economic development agencies that support the economy of economically-distressed communities throughout Minnesota.

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**1. How long has this business been in existence?**

Year started	1998	2004	2005	2006	2007	2008	2010	2011	2012
# of businesses	1	1	3	1	2	3	1	1	3

**2. What kind of business is this?**

- In-home health services
- Party equipment rental
- Restaurants (3)
- Lodging
- Attorney
- General store - clothing, cosmetics (2)
- Cafe
- Grocery store (2)
- Construction - commercial for grain elevators
- Bakery
- Business services

**3. What goods and services does this business provide?**

- Home care for elderly and disabled
- Rental of tents, chairs, tables, concessions, and inflatables
- Food and drinks
- Accommodations - limited service; Jefferson Line bus station for past 2 years
- Food and drinks
- Food and drinks
- Grocery, money exchange, bill pay; calling cards; 5 companies to send money home; beer
- Clothing, cosmetics, phone cards
- Snacks
- Groceries; money transfers; sell phone cards through Internet
- Maintenance and repair of mill wright work
- Bakery, videos, grocery
- Grocery, perfume, clothes
- Immigration services, taxes, accounting services, translation services

**4. What is special or unique about your major products or services?**

- Targeted for disabled people in Somali community
- Only rental business in town; covers Southwest Minnesota; full service company; provides delivery
- Combination of Persian, Greek, Italian and American food
- Only place in town with extended stay with kitchenettes; 11 units are long-term apartments

- 80 percent of business is handling workers' compensation cases; Social Security issues; veteran affairs (target audience Latinos, disabled, elderly, veterans)
- Only restaurant in town to serve huarache; also has an ice cream truck; food is like "back home"
- Fresh and specialty meat and vegetables – pigs feet and cow tongue
- Their foods are unique
- Work is in itself very specialized; have to work at great heights
- No other bakeries in area; he also owns the building in which the bakery is housed in and may be reporting the business as a whole.
- Provide lunches, breakfast, dinner to Jennie-O; lunch and dinner service; Benson – dining lunch and dinner; 60-70 different items fajitas and chimichangas
- Low prices, outstanding customer service
- Wide variety of business services

**5. What are the one or two most important reasons that customers might choose your competitors over you, or why would customers choose you over the competition?**

- Reputation, honesty, service
- For [renting] tents, there are older, more established businesses, but for other items this is the only choice
- Only Mediterranean restaurant, atmosphere, music in town; cook everything fresh and from scratch; variety in taste – only Persian store in town
- Swimming pool; restaurants close by
- Bilingual skills and culturally competent
- Food is good; homemade and fresh; huarache and quesadilla
- Competition – restaurants 5-6 downtown area, 1 other Mexican
- [Competitors have] bigger stores – grocery and Wal-Mart; first to corner the market; [we have] authentic food Mexican – no frozen except seafood; like home
- 3 other grocery stores within 2-block radius; nothing different
- Willmar – 3 competitors in area; food service started by concentrating on freshness
- Offer customers in-store credit
- Will basically try to provide any service that a business will ask for

**6. Have you started a business before?**

- Yes, but a different type of business
- No
- Yes – owned 15 mall-based fast food restaurants
- Had a motel in Belle Plaine
- No
- Yes – owned a grocery store, but I sold it since I didn't know how to run it properly
- No
- No
- Yes
- No
- No

- Ran restaurant for 8 months in 2006
- No
- No
- No, but helped others start a business

**7. Do you own other businesses?**

- No
- No
- One fast food store in mall
- Started small store before, but it didn't run; now is a night club during Friday and Saturday night
- Yes – own real estate (building store is located in)
- Ice cream truck
- Yes – own real estate (building store is located in)
- No
- Another restaurant in St. Cloud
- No
- No
- No
- Another restaurant in Benson
- No
- No

**8. Why did you choose to start this business?**

- Saw a need in the community for care of elderly
- Wanted to continue day job, saw an opening in the market; families didn't have many entertainment opportunities
- Used to teach at a university, was unfulfilled, and decided to get into the food business
- Had significant professional experience in hotel management
- Is a lawyer by training and decided to open his own private practice
- Owned two food trucks in Chicago so had knowledge of the taco business
- Friend was unable to run the restaurant so they bought it
- Saw a need in the community for Hispanic grocery items
- Saw a need or market opportunity; found a space with low rent
- In Somalia, worked in grocery store
- Had a lot of experience in the field – in Fargo, ND
- Had experience as a baker
- Has always been buying and selling merchandise
- Used to do it for free

**9. Do you have a business plan? Who helped you with it?**

- Yes – friends helped formulate plan

- Yes – found a similar business plan online
- Yes – has Ph.D. in management; formed a "C" corporation
- Yes, by himself
- No, but had an idea of a business plan. Now is working with WAMM to develop it.
- No, bookkeeper and accountant (one person) helps him with any ideas he has with changes to his business
- Yes, Wells Fargo – lender, helped [me] develop it
- Yes – partner, who had lots of experience, primarily developed it
- No business plan; discussed with WAMM; field has specifics required by law that fulfill role of a business plan

**10. Are you planning any changes to your business in the near future?**

- Add adult day care
- Expansion - to an indoor event center
- Sell business
- Renovate-upgrade motel; open used car dealership; open restaurant next door
- No changes planned
- Yes, but it's secret
- Purchased another building; planning to relocate
- Add new products like creams and perfumes
- Yes – add a grocery section
- Yes – move to a bigger location
- Add another crew of employees
- Expand into a “taqueria” (serves tacos, small limited menu)
- Add additional platters on menu; open another restaurant in Morris
- Trying to get kids involved in business
- Always looking for opportunities

**11. Are you comfortable going to a bank for a business loan if you need it? Why or why not?**

- No – interest forbidden by religion; would instead turn to friends for funding
- Yes – has a line of credit but wants to remain debt free
- Yes – had a good relationship with the bankers and other businessmen
- Yes, but prefers being debt free; does not want overhead expenses
- Yes – need line of credit to counter cash flow problems
- No, doesn't want debt; expansion is done with cash
- Yes – are comfortable managing debt
- No bank loans – maybe family
- No [bank loans; prefer] family/friends
- No, [because of] interest; go to family for little amounts; tax refunds are a source
- Yes, but rather pay out of cash on hand; would rather be a debt free company
- No, [because of] debt; does operation with own money

- Yes, but value to keeping out of debt; savings on first two – paid off new restaurant through bank to build credit
- No, self financed preferred; would rather stay away for economic reasons

**12. Please rate the level of difficulty (1 – easy ---5 very difficult) you encountered in trying to get licensing and permits for your business. Please explain your answer.**

- Easy – website had all the information they needed
- 1 – Easy
- 1 – Easy
- 1
- 1 – Easy after bar exam
- 1 – Easy, straightforward
- 1 – None at all
- 1
- 4 – Why? Process difficult; would help if cheaper like ~ \$25; reasons – ownership changes
- 3 –Multi step process, USDA tough, others easy; learned about process through owners in other cities
- 1 – WAMM helped walk through registering business with the state; found out about WAMM through word of mouth
- 1 – No problems; straightforward; Steve Rehnquist of Kandiyohi County EDC showed site options; asked friend in other state how much money needed to start bakery
- 1 – Straightforward, went to cousin for info then went online to Minnesota Secretary of State website
- 1 – Easy
- 1 – Easy

**13. Have you used any government (local, state, federal) resources to help you start and run this business? Please explain.**

- No
- No – Consults other partners to help run business
- No
- Yes – SBA loan to buy building
- Yes – Minnesota DEED – interest free loan for returning vets
- No government, but did use local non-profit (WAM-BC); helped [business owner] get into an event in a nearby town; also helped sell equipment from his grocery store – connected him with buyers
- None
- No, but got business registration help from West Central Interpreting Services
- No resources used
- No
- None except for WAM-BC who helped him learn QuickBooks and find a tax accountant

- Yes, economic development authority for site info
- None except for WAM-BC, which provided assistance in moving their restaurant, setting up a corporation, licensing and registration of business, and learning QuickBooks
- No
- No

**14. In your estimation, in the past 24 months, is this business declining, stable or growing?**

- Growing a little
- Growing
- Stable but economy declining in general
- Growing, [but] 2007-2009 very bad years; 2010 and 2011 have been relatively good years
- Growing
- Growing
- Growing
- Stable
- Declining
- Stable but economy declining in general
- Growing
- Growing very fast
- Declining a little but will be soon paying off building; no tenants
- Willmar site is stable but Benson store growing
- Growing
- Growing

**15. What are the greatest challenges in running this business?**

- Easy to run business
- Not enough time; finding good employees
- Dealing with customers - you never know who you are going to get
- Finding competent office staff
- It's easy
- Restaurant - employees not showing up, turnover; grocery [store] - no problem
- Meeting expenses
- Cooking
- People asking for credit
- Keeping all partners (3) on the same page in terms of financial operation
- Cash flow; good times and bad times; some days are slow
- Sacrificing family time - 130 hours each; more time in Benson; responsibility
- Recovering credit that customers owe
- Finding and retaining quality interpreters

**16. How many workers (including you) are employed at this location?**



- 5
- Family owned and run, 3 family, 3 others as needed
- 7
- 6 - housekeepers and front desk
- 3
- Insurance is different if non-family; 5 - all family
- Restaurant - 8 weekends/4 weeks; grocery 5
- 2
- 2
- 3
- 10 - 3 of which are co-partners
- Family business - 3 (2 kids) and owner
- 3 full-time; 2 part-time
- 6 - family members
- Only independent contractors

**17. Has employment in this business grown over the past three years? By how much?**

- Yes
- Yes
- 26 six years ago and 7 now
- No
- Lost 1 person - unable to find replacement
- Has not changed
- Restaurant yes; grocery yes
- No
- 5-10 [employees] in 5 months
- Some throughout
- Yes, used to have 1 full-time; 2 part-time
- No
- No

**18. What additional training do you wish you had to run your business better?**

- Time management techniques
- Technology, PC use
- Business plan; budget; relationship with financial; HR issues
- QuickBooks - accounting; doesn't know how much he is spending on inventory
- Inventory control - knowing and managing stock; accounting; no formal business training
- No time to go to [in-person] classes; is willing to consider online classes
- Learn how to make smoothies; accounting, taxes; finances
- Class to run business--marketing, accounting
- Training on how to run a business; management; accounting
- None - knows what he needs to run this business

- Business management degree -wants formal education; learning on the job now
- Accounting and record keeping

**19. What additional training do you wish your employees had to do their jobs better?**

- They basically need better work ethics, like not being under the influence while at work, or being consistent in coming to work on time. Can these things be taught in our schools?
- Would like training that enables employees to be sensible and sharp
- He trains them; needs them trained to be paralegals
- Has a goal for family to do something better with their lives -medicine, law enforcement
- Food handling training
- Daughter/employee needs training but is going to school
- Cooking
- Grain operator; first aid; DOT license - Class A license; they know where to send for training
- Customer services
- Cooks - but have to train personally; servers - customer service skills
- Ethics in interpreting - translators were not communicating full meaning of what the parties were saying.

**20. We are interested in the location of your customers. Please estimate the percent of your customers from the following locations:**

- 80% local, 27% regional, 3% outside the region
- 35% local; 35% regional; 15% outside region; 15% outside U.S. - Jennie-Os, relatives, fishermen
- 100% local; also has office in Minneapolis
- 10% regional customers from Montevideo, Marshall, Long Prairie, Fargo, St Cloud - These guys come to eat 15 tacos each.
- 85% local; 15% regional
- 100% local
- 100% local
- 1% local; 99% regional; goal is to be more local
- 10% regional (get customers from far away as Chicago sometimes); 90% local
- 90% local; 10% regional
- 100% local
- 100% regional

**21. Is your business currently exporting internationally? How is that going for you?**

- None of the businesses were exporting

**22. Is your business currently importing products? What types of products are you importing?**

- Yes - clothing, apparel, and perfumes from Dubai, India, Pakistan, and Bangladesh

**23. Please rate your level of satisfaction for the following questions. Scale of 1 – Poor to 5 – Excellent**

• The quantity of employees available for hire	Average = 2.3 N = 9
• The quality of employees available for hire	Average = 1.9 N = 9
• The financial resources available for my business	Average = 3.5 N = 8
• Business planning assistance	Average = 4.4 N = 5
• Navigating local, state, and federal resources	Average = 3.2 N = 5
• Locating zoning, permits, and regulations	Average = 4.5 N = 6
• Education and training opportunities	Average = 3.8 N = 5

**24. What would you consider the greatest *strengths* of this community as a location for your business?**

- Affordable to launch a new business; not much competition
- Nice community, but it is not ready for change
- Many people coming through for Jennie-O meat packing plant; Willmar is the hub city for the area
- Low overhead, rent is cheap; hourly rate of workers is low on average
- Permits easy to obtain, rent for store space is cheap relative to Twin Cities, high support from Hispanic and Anglo population
- Hispanic population is sizeable; Anglos are supportive of business;
- Lots of Somalis in the area to support business
- Growing Somali population in small towns; easy to get a job in these areas
- [Customers] are originally from the area; business requires too much travel since customers are dispersed throughout the region
- Tranquility – small town atmosphere
- Willmar good place to live and opportunities for business in nearby cities like Benson and Morris.

**25. What would you consider the greatest *weaknesses* of this community as a location for your business?**

- Low income of customers – everyone complains about prices
- City stagnant, unwilling to change; lack of beautification efforts; feels like they want to keep out outsiders
- Didn't notice anything
- Quality and quantity of staff
- Everything is good
- It's fine, except for finding employees
- Tough to break into local market; another company is already established here
- Far away from Minneapolis – distribution center; less demand than in other cities

**26. What is your overall opinion of your community (i.e. where your business is) as a *place to conduct business*? (5) Excellent to (1) Poor )**

- Average = 3.9

**27. What is your overall opinion of your community (where business is located) as a *place to live*? (5) Excellent to (1) Poor )**

- Average = 4.3

**28. Does your business use any type of *computer technology* to handle any of its business functions (for example, sales, cash receipts, accounting, or inventory control)? Why or why not?**

- QuickBooks
- Use software accountant
- Reservations – uses accountant
- Scans and e-files documents; updates contacts to server; Abacus Law – paperless law office; webcam – Skype to meet with clients; pushing tech envelope
- Accountant does it all
- Cash register system
- Internet café – 3 PCs rented per hour
- Research for new location; equipment repair; parts; money transfers; phone cards; wants to do inventory control
- Yes, QuickBooks, Excel, Word
- All by hand right now; planning to use QuickBooks with kids' help
- Excel, Word, POS, QuickBooks
- Credit card transactions
- Payroll software

**29. Does your business use the *Internet* for any business functions; for example, to order or sell goods; advertise, connect with customers or suppliers via email; learn about new business trends, etc.?**

- Product research, online orders
- Newsletters; website – advertise special events
- Sells rooms on website and Priceline
- Skype, email, website, YouTube; Spanish-speaking attorney
- Buy products online

- Sell phone cards; kids to do homework while at work on PC
- Accept credit cards; money transfers
- Email, invoices, purchasing online on eBay
- Likes to do business in person
- Advertise – Yellow Pages; website – menu; Wi-Fi to customers; research on rules and regulations
- Researching and finding merchandise
- Research and connect with other agencies needing his services

**30. Does your business purchase either a broadband connection or dial-up connection for your Internet service?**

- **If dial-up, why have you decided to purchase a dial-up instead of a broadband connection?**
- **If broadband, are you satisfied with the speed of your broadband connection?**
- **If broadband, are you satisfied with the price of your broadband connection?**
  - o Yes, yes [broadband]
  - o Home-based office, cable Internet
  - o Broadband; high price but offers Wi-Fi for customers
  - o Broadband, Charter low \$25/month
  - o NA
  - o Broadband, 2 connections \$100
  - o Broadband \$79.99/month
  - o Broadband – cheaper at home; Windstream Internet
  - o Broadband, Charter \$49/month
  - o None
  - o Broadband Charter – midgrade \$50
  - o Yes, yes [broadband]
  - o Yes, yes [broadband]

**31. If broadband, what type of connection did you actually purchase?**

- Cable – Charter
- Cable – Charter
- Cable
- NA
- DSL Century Link
- Cable – Charter
- Cable – Charter, midstream
- Cable
- None
- Cable
- Charter cable
- Charter cable

**32. In the next 12 months do you have any plans to change anything about your Internet service?**

- Change service provider because changing locations
- Just changed providers
- No
- No
- If more demand
- Want higher speed
- No
- Yes, to run point of sales system
- No
- Satisfied
- Satisfied

**33. If you were to estimate the percentage of your annual sales made through the Internet, what would it be:**

- 30%
- 20%
- 0
- 0%
- 0
- 0%
- 0%
- 0%
- 0%
- 0%
- None
- None

**34. Please let us know which of the following *Internet*-related items you *now use* and which items would you *like to learn*.**

	Now Use	Like to Learn
a) Using social media to connect with customers	0	5
b) Selling online on eBay	1	1
c) Selling products on my website	1	2
d) Creating and managing a website	4	2
e) Promoting/marketing my website	2	4
f) Fixing the location of my business on Google Maps	2	3
g) Assessing my business presence in online directories	2	2
h) Online marketing and/or advertising	1	2
i) Working collaboratively with other people/groups online	0	0
j) Purchasing or placing orders for products or services	6	1
k) Selling or accepting orders for products or services	3	1
l) Accepting payments with credit cards online	1	3
m) Providing customer support online	2	0
n) Advertising job openings and accepting job applications	2	0

o) Conducting training for myself or employees online	0	1
p) Billing customers or paying bills	1	1
q) Managing inventory online	1	3

**35. What changes would you like to see happen in Kandiyohi County or the state of Minnesota to help you do business?**

- Local organizations are sometimes hesitant about doing business with them. City needs more public family friendly places; leaders need to think about change.
- Beautification efforts; land development; green space
- Willmar marketing committee should be more active in communicating with minority-owned businesses; federal funds limited to downtown businesses or Hispanic/Latino business; Hwy 23 bypass hurt north Willmar businesses – they need some assistance like property tax breaks
- Emphasis on education – kids coming out of high school; people not getting college degrees; people applying for his open positions are not qualified; no problem in Minneapolis area
- Joined [Willmar Area] Chamber of Commerce – wants to sell in Spicer festival; has been given the "run around" for last 3 years. "Why – 'cause I am different?"
- It's all good – get plenty of customers
- Looking to find grants for small business
- Training to run a business; less regulation (i.e., WIC program requires that baby milk formula always be in stock)
- More training
- Things going good so far
- Everything is good
- Would like more resources to help business start out; so far self reliant